VOL 11 No 5 MAY 1981

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Published for British Information Services by
Her Majesty's Stationery Office, London
Annual subscription including postage and index £18.60

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GOVERNMENT AND ADMINISTRATION

Northern Ireland

After a 65-day hunger strike, Mr Robert Sands died at Maze Prison, Belfast, on 5 May. In a statement the Secretary of State for Northern Ireland, Mr Humphrey Atkins, said that he regretted 'this needless and pointless death'. Too many people had died by violence in Northern Ireland. 'In this case it was self-inflicted. We should not forget the many others who have died. It is my profound hope and prayer that the people of Northern Ireland will recognise the futility of violence and turn their faces away from it.'

The Hunger Strike

Mr Sands, who was serving sentences of 14 and 10 years for firearms and ammunitions offences, had refused food since 1 March in demand for changes in the prison regime, including the right not to wear prison clothes nor to do prison work. This hunger strike was one of a series of protests in Northern Ireland prisons in demand for political status by prisoners convicted of terrorist offences. These included the 'dirty protest' which came to an end on 2 March (see p 64) and a hunger strike by seven prisoners which ended on 19 December 1980 (see p 4). At the time of Mr Sands' death three other prisoners sentenced for murder, attempted murder and firearms and ammunition offences were also on hunger strike.[1]

Mr Sands, who was described as the leader of the Provisional IRA prisoners in Maze Prison, was elected member of Parliament for Fermanagh and South Tyrone on 9 April (see p 88).

As a result of an application lodged with the European Commission on Human Rights by Mr Sands' sister, two Commissioners visited the prison on 25 April but Mr Sands declined to associate himself with the application. The Government similarly facilitated a visit to Mr Sands by the Pope's secretary, Monsignor John Magee, on 28 April, who travelled to Northern Ireland unofficially as a demonstration of the Pope's concern with the humanitarian aspects of the case. Monsignor Magee met the Secretary of State who outlined to him the many improvements in the prison regime which had been introduced over a considerable period on humanitarian grounds (see p 312, 1980), and pointed out that conditions in Maze Prison were among the most modern in the world and that the Government intended to continue improving conditions where appropriate.

[1]A second hunger striker, Mr Francis Hughes, died on 12 May in the fifty-ninth day of his hunger strike. He was serving sentences for murder, attempted murder and firearms and explosives offences. Since the death of Mr Sands, two other prisoners have joined the strike.

Political Status

The Government has repeatedly stated that it would not give way to demands for political status. The Prime Minister, Mrs Margaret Thatcher, said in the House of Commons on 5 May after the announcement of Mr Sands' death that to grant political status would be to grant a licence to kill (*Hansard*, Vol 4, No 1, cols 15-17). Mr Sands was a convicted criminal who chose to take his own life. The Government was on the side of protecting the law-abiding and innocent citizen and would continue in its efforts to stamp out terrorism. The Leader of the Opposition, Mr Michael Foot, said that to concede political status would be to give sure aid to the recruitment of terrorists. If political status were conceded it would greatly increase the numbers who would be encouraged to join. This, in turn, would mean a great increase in the number of innocent people who would be killed. He believed that matters in Northern Ireland should be settled democratically and not at the point of a gun.

Mr Humphrey Atkins said, in a parliamentary reply on 15 April (*Hansard*, Vol 3, No 89, written answers, cols 135-6), that the Government would not accord political status to men convicted by the courts of acts which they claimed were committed for political motives. In taking this stand the Government, backed by both sides of the House of Commons, had enjoyed widespread support from the community in Northern Ireland and in Great Britain, from the United States and from fellow members of the European Community.

In a broadcast in Northern Ireland on 7 May, Mr Atkins asked whether murder was any less murder because the person responsible claimed a political motive, or whether robbery with violence was less a crime or knee-capping acceptable because the perpetrators said they had political motives. To answer these questions in the affirmative would be to encourage murder and violence throughout the western world.

Some people had said that if the Government were flexible in the administration of the prison system in Northern Ireland it would save the lives of those who wished to hold it to ransom. There was nothing flexible about the demands made by

Mr Sands and others. They had made it clear that what they wanted was political status -- to be recognised as a different class of prisoner.

Conditions in Prisons

Mr Atkins said that the Government had been prepared to be flexible in the administration of prisons. A number of changes had been introduced in the past year in the kind of matters – prison clothing, letters and parcels, remission – which were alleged by some to be what the hunger strikers were concerned about. One of the most humane and liberal prison regimes in the western world had been established and serious account had been taken of the findings of the European Commission on Human Rights. The Government's willingness to be flexible was shown in the provision of civilian-type clothing for all prisoners and, even for those who broke the prison rules, the granting of the right to additional letters and visits, of facilities for compassionate home leave and in many other ways. Prisoners who had decided to end their protest and conform with prison rules had received some restoration of lost remission.

The Government was concerned with the well-being of all prisoners. A number of steps had been taken to improve the conditions of those in custody. The Government was not prepared to give in to blackmail in the form of a hunger strike or any other form of pressure.

[A booklet, *Day to Day Life in Northern Ireland Prisons*, was published in April – see Documentation, p 155.]

Recent Legislation

The public Acts of Parliament passed between December 1980 and 16 April 1981 when the Easter adjournment started are listed below.

Anguilla Act 1980 (see p 6). Royal Assent: 16.12.80. Ch 67, ISBN 0 10 546780 4, HMSO, 30p.

English Industrial Estates Corporation Act 1981. Consolidates the law relating to the English Industrial Estates Corporation. Royal Assent: 15.4.81. Ch 13, ISBN 0 10 541381 X, HMSO, £1·40.

European Assembly Elections Act 1981. Amends the European Assembly Elections Act 1978 to allow the Boundary Commissions in Great Britain to report on changes to the boundaries of European Assembly constituencies after, instead of simultaneously with, reports on parliamentary constituency boundaries. Royal Assent: 19.3.81. Ch 8, ISBN 0 10 540881 6, HMSO, 70p.

Film Levy Finance Act 1981. Consolidates the Cinematograph Films Acts 1957 to 1980. Royal Assent: 15.4.81. Ch 16, ISBN 0 10 541681 9, HMSO, £1·70.

Gas Levy Act 1981 (see p 247n, 1980). Royal Assent: 19.3.81. Ch 3, ISBN 0 10 540381 4, HMSO £1·10.

House of Commons Members' Fund and Parliamentary Pensions Act 1981. Provides for payments to be made from the House of Commons Members' Fund to Members of Parliament who left the House before 1965. Royal Assent: 19.3.81. Ch 7, ISBN 0 10 540781 X, HMSO, 70p.

Industry Act 1981 (see pp 18, 76). Royal Assent: 19.3.81. Ch 6, ISBN 0 10 540681 3, HMSO, £1·10.

International Organisations Act 1981. Makes further provision concerning diplomatic privileges and immunities for certain international organisations and persons connected with them. Royal Assent: 15.4.81. Ch 9, ISBN 0 10 540981 2, HMSO, £1·10.

Iron and Steel (Borrowing Powers) Act 1981. Increases the borrowing limit on the amount of finance that the British Steel Corporation and its wholly owned subsidiaries can raise by borrowing. Royal Assent: 26.2.81. Ch 2, ISBN 0 10 540281 8, HMSO, 30p.

Merchant Shipping Act 1981. Substitutes the Special Drawing Rights of the International Monetary Fund for gold francs as the unit of account in certain provisions limiting the liability of shipowners or carriers. Royal Assent: 15.4.81. Ch 10, ISBN 0 10 541081 0, HMSO, £1·10.

National Film Finance Corporation Act 1981. Consolidates the Cinematograph Film Production (Special Loans) Acts 1949 to 1980 and repeals certain enactments relating to the National Film Finance Corporation. Royal Assent: 15.4.81. Ch 15, ISBN 0 10 541581 2, HMSO, £1·70.

Parliamentary Commissioner (Consular Complaints) Act 1981. Extends the circumstances in which complaints about consular actions can be made under the Parliamentary Commissioner Act 1967. Royal Assent: 15.4.81. Ch 11, ISBN 0 10 541181 7, HMSO, 30p.

**Public Passenger Vehicles Act 1981.* Consolidates certain enactments relating to public passenger vehicles. Royal Assent: 15.4.81. Ch 14.

Redundancy Fund Act 1981. Increases the Government's borrowing powers for the Redundancy Fund. Royal Assent: 19.3.81. Ch 5, ISBN 0 10 540581 7, HMSO, 30p.

Social Security (Contributions) Act 1981. Makes provision for increases in certain allowances and contributions payable under the Social Security Act 1975. Royal Assent: 29.1.81. Ch 1, ISBN 0 10 540181 1, HMSO, 70p.

Water Act 1981. Increases the borrowing powers of the British Waterways Board and makes further provision for water supply. Royal Assent: 15.4.81. Ch 12, ISBN 0 10 541281 3, HMSO, £1·10.

*Publication details of this Act were not available at the time of going to press.

EXTERNAL AFFAIRS AND DEFENCE

Defence

Britain's continued commitment to the North Atlantic Treaty Organisation (NATO) and its readiness to play a full part in contributing to Western security, both in and outside the NATO area, were spelt out in the annual White Paper on defence published in April.[1]

In an introduction to the White Paper, the Secretary of State for Defence, Mr John Nott, points out that Britain makes a unique contribution to the North Atlantic Alliance. This involves not only an independent contribution to NATO's strategic nuclear forces, Britain being the only European nation to do so, but also major contributions to the Alliance's land and air forces in Central Europe, to its naval and maritime air-forces in the Channel and Eastern Atlantic, and to the defence of the British 'home' base. Moreover, in 1980-81, defence expenditure rose by about 5 per cent in real terms at a time of falling gross domestic product (GDP); and expressed as a proportion of GDP (5·2 per cent in 1980) Britain's contribution to NATO is significantly higher than that of its principal European allies.

Britain and its Allies, however, face growing problems in meeting the threat posed by the Warsaw Pact. Spurred on by the Soviet Union's relentless application of resources and technology to military ends, the complexity and cost of equipment is rising alarmingly. Changing technology is also posing new challenges for the armed forces and profoundly affecting their tactics. In reshaping Britain's forces to meet the developing threat, therefore, new programmes are needed to exploit new technology and tactical concepts. In the months ahead, Mr Nott continues, Britain will, in consultation with its Allies, seek to identify how these can help it to fulfil the same basic roles more effectively in the future without the massive increase in real defence expenditure which the escalation of equipment costs implies.

The contents of the White Paper are described below, together with a summary of a short essay entitled *Nuclear Weapons and Preventing War*. This is one of a number of distinct passages in the White Paper which provide factual background or illustrate the Government's thinking on important issues. Others deal with Britain's role within NATO, the maritime balance, warning time and political decision-making, defence procurement strategy, defence sales and industries and electronic warfare.

Defence Policy in a Changing World

Commenting that recent international crises have created a new sense of risk, the White Paper emphasises that Britain's objective, like that of its Allies, is to negotiate arms control agreements wherever possible while at the same time maintaining forces sufficient in size and quality to deter any level of aggression. In determining these, however, the build-up of Soviet forces and the proven willingness of Soviet leaders to use them in an expansionist way cannot be ignored.

Western assessments indicate that Soviet defence expenditure rose in real terms by some 4 per cent annually in the 1970s and now absorbs around 12-14 per cent of GNP. Moreover, about 40 per cent of this is spent on procuring new weapons and a further 20 per cent on research and development – the latter being double the proportion in the United States and half as much again as in Britain.

What makes the Soviet Union a potential threat, the White Paper explains, is the association of immense military power with a hostile and expansionist ideology with its recurring theme of the inevitable triumph of communism over capitalism. While the West has nothing to fear from peaceful competition it cannot be confident that the Soviet Union will be content with this. Recent events have shown that, where an opportunity presents itself, it will continue to use force in support of political aims, either directly, as in Afghanistan where, despite repeated international requests, it has made no serious attempt to withdraw its troops and let the Afghan people decide their own destiny (see pp 355-6, 1980); or indirectly through the use of surrogates, like the Cubans in Africa and the Caribbean (see p 64), the encouragement of disruptive elements in pro-Western and non-aligned states, or covert subversion. In addition, as recent Soviet activity on Poland's borders has shown, it can use its military power as a weapon of political influence, intimidation and blackmail.

The World-wide Dimension in Western Strategy

The West cannot ignore Soviet exploitation of instability in the Third World as it directly

[1] *Statement on the Defence Estimates 1981*. Vol I, Cmnd 8212-I, HMSO, £5. ISBN 0 10 182110 X. Vol II (Defence Statistics), Cmnd 8212-II, HMSO, £5. ISBN 0 10 182121 2.

threatens both international stability and the lines of communication upon which the West's trade and its supply of important raw materials depend. In 1980, therefore, NATO agreed that members who had the ability to do so should work for stability outside the NATO area and that such efforts should where possible be co-ordinated. In doing so, however, the West has to take account of the complex and varied local causes of such instability (as, for example, in the case of the Iraq-Iran war – see pp 290-2, 1980), rather than simply viewing it in terms of East-West antagonism, and also of the rights and interests of the regional countries and their concern to take prime responsibility for their own defence. In the British Government's view, these requirements can best be reconciled by providing military aid, by periodic deployments of forces in strategically important areas, and by maintaining a capability to intervene militarily when and where necessary. With these measures in mind, Britain has welcomed the United States resolve to bring its resources to bear whenever necessary, including its plans for a rapid deployment force, and promised to support these where possible (see pp 65 and 67).

These measures, the White Paper also points out, should be integrated with other Western actions, political and economic, designed to remove sources of conflict and strengthen the foundations of the West's co-operation with the developing world.

NATO and Europe

Europe remains the main focus of the Soviet threat, however, and NATO cannot afford to ignore collective security in its own area while its members work for the security of regions further afield, the White Paper notes. Thus in 1980, in addition to their commitments under the Long Term Defence Programme and to increase defence spending in the region of 3 per cent annually in real terms, the Allies agreed to a programme of short- and medium-term measures to improve Alliance defences and to offset any possible effect the establishment of the United States Rapid Deployment Joint Task Force may have on the potential availability of United States reinforcements and maritime forces (see p 11).

Other discussions focused on the balance of effort within NATO between the United States and its European allies, and also among the latter. In this context, the White Paper points out that, of the readily available forces in Europe (including those of France), some 90 per cent of ground forces and 75 per cent of air forces come from European countries, as do 75 per cent of tanks and more than 90 per cent of armoured divisions. European nations provide a similarly high proportion of the readily available naval forces in the Eastern Atlantic and Channel.

Arms Control

Despite recent events, the Government remains committed to the pursuit of arms control and disarmament negotiations wherever these offer hope of reducing the risks of conflict and allowing Britain's defence to be guaranteed at a lower level of effort and cost. It recognises, however, that painstaking negotiations on specific problems are required if balanced and verifiable arms control agreements are to be achieved. It is also aware that, while progress in such negotiations might help to improve East-West relations, it cannot transform the basic political attitudes which lie at the root of tension. This reasoning is fundamental to the Government's position on unilateral nuclear disarmament, the White Paper states: 'There is no reason at all to think that British renunciation of nuclear arms would significantly alter the views either of those states which maintain, or of those which might consider acquiring, their own nuclear weapons. It would achieve nothing except to weaken our ability to deter aggression in the face of the continuing nuclear and conventional threat.'

Britain continues to support efforts to resolve the discrepancies between Western and Eastern estimates of the size of Eastern forces in Central Europe which are preventing progress in the talks on Mutual Balanced Force Reductions (see p 140); and also the talks between the United States and the Soviet Union on limitations of their long-range theatre forces which began in October 1980 (see p 140). It also made a major contribution to the successful conclusion of the UN Conference on Inhumane Weapons (see p 320, 1980). At the Conference on Security and Co-operation in Europe (CSCE, see pp 351-5, 1980) the Government has expressed support for France's proposal for the negotiation of militarily significant, binding and verifiable confidence-building measures applicable to the whole of Europe. These new measures, which go considerably beyond those, largely voluntary, measures already embodied in the CSCE process, represent a different concept of arms control from that adopted in most other negotiations; they focus principally on making military activities more open and thereby on making it more difficult to use military forces for aggressive purposes, rather than on limiting armaments or the forces themselves.

Nuclear Forces

During 1980 the strategic nuclear balance between NATO and the Warsaw Pact was broadly maintained, but the Warsaw Pact's superiority in other systems continued to grow, particularly with respect to the land-based long-range theatre nuclear forces (LRTNF). The Soviet Union is continuing to deploy SS20 missiles at a rate of more than one a week and 30 new Backfire bombers each year. At the end of 1980 Soviet land-based LRTNF systems numbered 890 (540 missiles and 350 aircraft) against NATO's (including those of France) 278 (18 missiles and 260 aircraft), while its medium-range theatre forces numbered 2,650 systems (650 missiles and 2,000 aircraft) as against 880 (180 missiles and 700 aircraft) for NATO.

Britain's Contribution

Britain's nuclear forces enhance Alliance security by providing a nuclear deterrent capability committed to the Alliance yet fully under the control of a European member. In practice, no other ally is in a position to provide this 'second centre of decision', which is designed to show that the risks

of aggression in Europe would still be very grave even if Soviet leaders imagined that the United States might not be prepared to use its nuclear forces. Its importance has been repeatedly recognised by NATO, most recently in November 1980 (see p 11).

To give up this distinctive capability or to let its effectiveness fade away, whether as a measure of unilateral disarmament or simply to save money, would mean abandoning not a marginal capability but a central and unique component of Britain's contribution to the Alliance. The decision to replace Polaris by Trident, however, means that a powerful nuclear force, dedicated to NATO but under British control, will remain in being well into the twenty-first century. (For the factors involved in the Trident decision, see pp 233–4, 1980.) Work on the 'Chevaline' programme, aimed at improving the Polaris missile in response to Soviet anti-ballistic missile developments and thus maintaining its effectiveness until the introduction of Trident, is nearing completion, and the first 'Chevaline' missiles will enter service shortly thereafter.

Britain is playing an important part in NATO's programme for modernising its long-range theatre nuclear forces (which at present mainly comprise the ageing United States F-111 and British Vulcan forces based in Britain), and has agreed to provide bases for 160 United States cruise missiles (see p 209, 1980). The first of these will be deployed at Greenham Common by the end of 1983; those at the other base at Molesworth will not be introduced before 1988. These mobile missiles can, in time of war, be quickly and widely dispersed and concealed away from their normal bases, and are then virtually impossible to locate. Thus, far from attracting a pre-emptive strike, since there would be no point in striking the bases they had left, they will help to deter any such strike on other more vulnerable forces and facilities. At the same time they will not pose a pre-emptive strike threat against Soviet capability, being too few and too slow in flight for this.

Britain's shorter-range nuclear forces committed to NATO are also being modernised, and four Jaguar and three of the five Buccaneer strike/attack squadrons based in Britain and the Federal Republic of Germany will be replaced by the Tornado FRG1 in the next few years. Sea Harrier squadrons, operating from the anti-submarine carriers, also are capable of delivering nuclear weapons, as are the various maritime helicopters and the four squadrons of Nimrod maritime patrol aircraft. The United States depth charges carried by the last, and the nuclear warheads provided for Britain's Lance missiles and dual capable artillery, are provided under 'dual key' arrangements.

Conventional Forces

The growth of Soviet nuclear capabilities is matched by a similarly large and comprehensive build-up in conventional arms. Recent improvements have included nuclear tactical aircraft with sophisticated avionics and improved weapons, including air-to-surface missiles and electronic counter-measures; the fast and manoeuvrable T-64 and T-72 tanks with advanced armour and high-velocity guns; the Typhoon and Oscar submarine classes, both introduced in 1980 and bigger than any Western type, the former carrying 20 new solid-fuelled strategic nuclear missiles; and three new warship classes, including the 25,000 ton nuclear-powered cruiser *Kirov*. Moreover, these improvements reflect an emphasis on offensive and world-wide capabilities. Over the last ten years the Soviet Navy has been transformed from a coastal defence force to a deep-water navy, while the Soviet Air Force has not only greatly enhanced its air-defence and close support capabilities, but supplemented these with long-range ground-attack fighter bombers and a growing inventory of heavily armed attack and assault helicopters. The Soviet Union is also maintaining the effectiveness of its offensive chemical warfar-capability.

In the face of these developments NATO has not sought to match the Warsaw Pact weapon for weapon, but to develop a capacity for flexible response – that is, to possess a range of defensive responses as comprehensive as the offensive options open to its potential adversaries. This armoury, the White Paper notes, is designed to supply the means of checking the threat, not of emulating it. It is complemented by forward defence, the stationing of allied forces well forward in Europe as evidence of NATO's determination and commitment to defend the whole of NATO territory. Several nations contribute to the forward forces, and this also demonstrates the fundamental Alliance principle that each member enjoys the protection of the combined strength of all the members.

Britain's Contribution

In the key area of Central Europe (where the Warsaw Pact has a superiority of 2·5 to 1 in main battle tanks and in artillery, of 2·3 to 1 in tactical aircraft and of 1·2 to 1 in manpower) Britain maintains the British Army of the Rhine (BAOR) and Royal Air Force (RAF) Germany. BOAR's combat element comprises four armoured divisions and an artillery division, and its peacetime strength would be more than doubled in time of war by reinforcements from regular and reserve (Territorial Army) units in Britain. The emphasis in BAOR's equipment is on anti-armour and air-defence weapons, and these include about 600 Chieftain tanks, Milan and Swingfire anti-tank guided weapons, Rapier and Blowpipe missiles for air-defence, and a range of self-propelled and towed artillery. RAF Germany's 12 squadrons (to be increased to 13 in 1982, including two of helicopters) are equipped with aircraft for strike/attack (Buccaneers and Jaguars), air-defence (Phantoms supported by Bloodhound and Rapier ground-to-air missiles), ground support (Harriers) and reconnaissance (Jaguars). In the next few years the Tornado GR1 – with its advanced navigation and attack systems, wide range of weapons and counter-measures – will replace the Jaguars and Buccaneers in their respective roles.

In the Eastern Atlantic and English Channel areas Britain provides 70 per cent of NATO's readily available naval forces, whose tasks in time

of war would involve the containment of Soviet naval forces, defence of reinforcement and resupply shipping, anti-submarine support for the NATO Strike Fleet and the protection of merchant shipping. Britain's forces are designed primarily for anti-submarine warfare (ASW) and include two ASW carriers, one of them, the *Invincible*, being the first of a new class with the Sea Harrier on board; more than 25 nuclear-powered and conventional submarines; and some 65 destroyers and frigates, almost all armed with weapon-carrying helicopters and various guided missiles. Shore-based support is provided by RAF Nimrod squadrons, currently undergoing an extensive avionic modernisation, with RAF Phantoms and Buccaneers for air-defence and surface-ship attack roles.

As outlined in the 1980 White Paper (see p 98, 1980), the importance to NATO of the British 'home' base is considerable, and the improvements in its air, sea and land defences outlined then are continuing. During the year the United States Air Force agreed to purchase 32 Rapier fire units for the defence of its bases in Britain.

Britain's contribution to NATO's specialist reinforcement forces mainly comprises land and air units for the Allied Command Europe Mobile Force and the United Kingdom Mobile Force; four aircraft squadrons for NATO's Strategic Air Reserve; and, with the Netherlands, an amphibious force. The flexibility and ability of the Alliance's reinforcement forces to respond to crises in various parts of NATO's territory makes it harder for a potential aggressor to assess what forces it may face in a given area. Their high state of readiness and ability to deploy rapidly lends itself to another type of deterrent use, as a prompt signal of collective Alliance resolve in the face of threatened aggression.

Wider Defence Interests

While the reinstatement of the former British presence 'East of Suez' is no longer feasible, notes the White Paper, Britain is determined to use what resources it deploys world-wide as effectively as possible, both in the national interest and as part of a coherent overall response by the West to Soviet actions.

Military assistance takes the form of training, technical assistance and advisory visits by British forces. Some 5,500 foreign students attended military training courses in Britain in 1980, about 4,800 of them coming from non-NATO countries. There are about 600 Service personnel currently on loan to 24 foreign governments, while a further 150 are serving in the British Military Advisory and Training Team in Zimbabwe where they are making a key contribution to amalgamating and training the local armed forces. These links, together with the provision of defence equipment, form an important element in Britain's relations with many non-NATO countries.

The stationing of British forces outside NATO changed little in 1980 (see pp 98-9, 1980), though the garrison in Hong Kong is now being increased by an infantry battalion and support elements following the signature of a new Defence Costs Agreement in October 1980. Post-independence assistance to Belize (see p 92) to meet security requirements is under consideration. Joint exercises and training activities with friendly countries continue to provide opportunities for military co-operation as well as demonstrating Britain's continued interest, support and capability in the regions concerned. During the year a Royal Navy Task Group, comprising two destroyers, three frigates and three auxiliary vessels, spent three months in the Far East and visited the People's Republic of China. It also provided the initial contribution to a British patrol of the Gulf of Oman following the outbreak of the Iran-Iraq war.

The Gulf of Oman patrol is an example of the advantages Britain can derive from its ability to operate flexibly outside the NATO area, the Government believes. Such forces could also be used for the reinforcement of dependent territories, as in the case of the New Hebrides, now Vanuatu, in June 1980 (see p 241, 1980); to protect and evacuate British citizens in danger areas; to protect shipping; and to respond to appeals for assistance from friendly countries. These resources are limited, however, and, though there are plans to increase their world-wide capability, there is no intention to create a substantial standing intervention force. In any serious overseas emergency, Britain would expect to concert its actions with those of its Allies.

The armed forces also participate in relief operations overseas, and in 1980 provided assistance to Belize after floods, undertook building projects in the Falkland Islands, air-lifted food to isolated areas in Nepal, and repaired hurricane damage in Saint Lucia, Dominica and the Cayman Islands.

Northern Ireland

In Northern Ireland the Government's aim remains the restoration of normal life by removing the threat of terrorism, and it looks forward to a time when the troops there will be able to return to normal duties. A lessening of the level of violence in 1980 enabled the withdrawal of three military units and some support elements, but sufficient forces are being retained to provide whatever support is required by the Royal Ulster Constabulary.

Military Aid to the Civilian Community

During 1980 the Services continued to assist the civil community in a variety of ways. For instance, Royal Navy and RAF helicopters participated in over 1,170 search and rescue missions and saved 834 lives, often in extremely difficult and dangerous conditions such as those in the North Sea when the oil rig support platform *Alexander Kielland* capsized. In this operation, Royal Navy units joined in the rescue work, RAF Nimrods provided a communication centre for British and Norwegian rescue teams, and Service helicopters rescued 10 people and located another 26 who were subsequently rescued by a recovery vessel. The Services' bomb disposal units responded to some 6,000 calls for assistance during the year and safely disposed of some 10,700 explosive items. Royal Navy and RAF units also protect Britain's offshore energy installations and fishing interests.

Other areas in which Service personnel played an important role included the rescue of the hostages held in the Iranian Embassy in May 1980 (see pp 154-5, 1980) and the running of emergency prisons during industrial action by prison officers.

Equipment

Expenditure on equipment accounts from some 44 per cent of the defence budget, and is expected to amount to £5,352 million in 1981-82. Including associated personnel and other costs, total procurement expenditure is expected to reach £5,850 million. Of this, about 71 per cent (£4,167 million) will be spent on production (32 per cent on ships, ship equipment and weapons; 20 per cent on Army equipment and vehicles; 40 per cent on aircraft, aircraft engines, aircraft equipment and weapons; and 8 per cent on general support), and the remainder on research and development. About 75 per cent of equipment expenditure goes on contracts placed with British industry, 15 per cent on collaborative projects and 10 per cent on overseas contracts. It is estimated that defence equipment expenditure supports about 220,000 jobs in Britain directly and the same number indirectly.

Major equipment decisions taken in 1980 included the choice of Challenger as a new main battle tank (see pp 233-4, 1980) and the start of full development of a new armoured personnel carrier (MCV 80) which will begin to enter service in the mid-1980s. The TOW long-range anti-tank guided weapon system is about to enter service fitted to the Lynx helicopter, while delivery of Blindfire Rapier units for night and bad weather operations to both the Army and the RAF will be completed by the end of 1981. Improvements to the man-portable Blowpipe anti-aircraft missile are also fully under way. Artillery units have been strengthened by the deployment of the FH70 155-mm towed gun, while another 69 M109 155-mm self-propelled guns have been ordered from the United States.

Tornado GR1 aircraft, the strike/attack version, are continuing to be delivered to the Trinational Training Establishment at RAF Cottesmore. Britain will eventually have 220 of these aircraft, and the first operational squadron is expected to be established in 1982. A decision on a replacement for the Harrier is expected later in the year, while discussions with France and the Federal Republic of Germany on a possible successor for the Jaguar are continuing. A memorandum of understanding has been signed with the United States and the Federal Republic on the future development of short- and medium-range air-to-air missiles, to be developed in Europe and the United States respectively. Orders have been placed for the first of the new radars under a major re-equipment programme for the United Kingdom Air Defence Ground Environment system, and measures to modernise and improve the defences of the operations centres are under way.

At sea, a Sea Harrier squadron is now in service with HMS *Invincible*, the first of the new anti-submarine warfare carriers, and another will join HMS *Hermes* later in the year. The second new carrier, HMS *Illustrious*, will be accepted in 1982, while a third, HMS *Ark Royal*, will be launched shortly. The twelfth nuclear-powered fleet submarine is about to enter service, and the first of the new Trafalgar class will be launched later in 1981. Other warship classes under development or entering service include the Type 42 guided missile destroyers, of which there will soon be nine, whose primary role is air defence; the Type 22 anti-submarine frigate, of which the third is about to enter service and the fourth has been launched; and the Hunt class of mine countermeasure vessels, the third of which will enter service this year. The Leander frigates are being re-equipped with the Sea Wolf point defence missile, Lynx helicopters and improved sonar. The ship programmes are accompanied by a range of new weapons and equipment which, in addition to the Sea Harriers, includes improved Sea King helicopters and Nimrod maritime reconnaisance aircraft and improved missile systems.

Personnel

The armed forces totalled some 333,900 personnel at the beginning of 1981, of whom 73,600 were in the Royal Navy and Royal Marines, 167,300 in the Army and 93,000 in the Royal Air Force. A functional analysis of personnel in 1981-82, including civilians employed by the Ministry of Defence, is given in the table. Reserve forces totalled 265,100, of whom 191,600 were regular reserves and 73,500 were volunteer reserves and auxiliary forces. Cadet forces numbered 142,400.

Recruitment in 1979-80 was exceptionally good, records the White Paper, totalling some 50,700; and the number leaving the Services was the lowest since 1945. Shortages in certain skills, remain, however, and these will take time to make good. On present plans, recruitment needs to average 46,000 a year in the 1980s and this may prove difficult because of the declining numbers of males entering the 16-19 year age group from which the Services normally recruit. To assist recruitment, the Government intends to maintain improved pay rates through its continued commitment to armed forces pay comparability and through more flexible terms and conditions of service.

Reserve forces continue to have a central role in Britain's defence strategy and they also provide an important link between the regular forces and the community. Force strengths have improved over the last two years following the introduction of better equipment, improved training methods and increased payment, and plans to streamline the mobilisation of regular reserves in a crisis – the Individual Reinforcement Plan – have been implemented.

The role of women in the Armed Forces is also being extended by identifying more posts which can be filled equally well by men or women. Although women can now bear arms for defensive purposes, it remains government policy that they should not be employed in combat units.

Expenditure

The defence budget estimates for 1981-82 total £12,274 million at 1980 prices, an increase of 8

per cent over 1978-79 and 5 per cent over 1979-80. (Final figures for spending in 1980-81 are not yet available.) In 1980 defence expenditure accounted for 5·2 per cent of Britain's gross domestic product, a proportion exceeded among NATO countries only by the United States. Similarly, Britain was third, after the United States and the Federal Republic of Germany, in actual expenditure, and after the United States and France in per capita expenditure. A functional analysis of planned expenditure for 1981-82 is contained in the table.

NUCLEAR WEAPONS AND PREVENTING WAR

Pointing out that abhorrence of war is no substitute for realistic plans to prevent it, the White Paper's special essay states that the task facing Western leaders is to devise a system for living in peace and freedom while ensuring that nuclear weapons – which can not be 'disinvented' – are never used, either to destroy or to blackmail. This means seeking to prevent any war, for not only are today's conventional – and chemical – weapons more destructive than in the past, but non-nuclear war between East and West is by far the likeliest road to nuclear war. Whatever proviso might have been given in peacetime, no alliance possessing nuclear weapons could be counted on to accept major non-nuclear defeat and conquest without using its nuclear power.

The part nuclear weapons have to play in preventing war is made all the greater by the facts of military power, the essay notes. The combination of geography and totalitarian direction of resources gives the Soviet Union a massive preponderance in Europe. The Western democracies have enough economic strength to match the East, if their peoples so chose, but the cost to social and other aims would be huge, and the resulting forces would still not make nuclear weapons unnecessary. No Western non-nuclear effort could keep the West safe against one-sided Eastern nuclear power.

The central aim of deterrence, the essay explains, is to influence the calculations of anyone who might consider aggression; to influence them decisively; and, crucially, to influence them before aggression is ever launched (and thus avoid the danger of escalation from non-nuclear to nuclear war). This means thinking through the possible reasoning of an adversary and the way in which alternative courses of action might appear to it in advance. It also means doing this in the adversary's terms, and allowing for how it might think in future circumstances, not just today's. In essence the West seeks to ensure that, whatever military aggression or political bullying a future Soviet leader might contemplate, he could not foresee any likely situation in which the West would be left with no realistic alternative to surrender.

Failure to recognise that deterrence, like a chess master's strategy, rests on blocking off in advance a variety of possible moves in an opponent's mind, the essay continues, underlies many of the criticisms made of Western security policy. To make provision for having practical courses of action available in nuclear war (or for reducing its devastation in some degree by modest civil defence precautions) is not in the least to have a 'war-fighting strategy', or to plan for nuclear war as something expected or probable. It is, on the contrary, a necessary path to deterrence, to rendering nuclear war as improbable as we humanly can. The recent inclusion of a wide range of 'non-city' target options in United States nuclear planning is not designed to enable it to fight a limited nuclear war – the United States has repeatedly stressed that it does not believe in any such notion – but to help ensure that even if an adversary believed in limited nuclear war (as Soviet writings sometimes suggest) it could not expect actually to win one.

For Britain to wash its hands of nuclear affairs, while continuing (as NATO membership implies)

Functional Analysis of Expenditure and Manpower, 1981-82

	Expenditure £ million	Military personnel* (Thousands)	Civilian personnel* (Thousands)
Nuclear Strategic Force	269	2·4	4·4
Navy General Purpose Combat Forces	1,063	30·1	7·7
European Theatre Ground Forces	1,881	97·3	25·2
Other Army Combat Forces	44	15·0	6·9
Air Force General Purpose Forces	2,240	5·8	10·2
Reserve and Auxiliary Formations	253	2·9	3·2
Research and Development	1,676	1·5	31·0
Training	1,097	81·5	19·7
Repair and Associated Facilities in Britain	814	10·3	78·9
War and Contingency Stocks	326	—	—
Other Support Functions	2,081	41·0	55·1
Miscellaneous Expenditure and Receipts	−70	—	—
Total	12,274	340·6	242·3

*These are average strengths and include locally enlisted personnel, but exclude Ministry of Defence civilians employed in the Royal Ordnance Factories and Department of the Environment staff employed on defence work.

to welcome United States nuclear protection through the Alliance, offers neither moral merit nor greater safety, states the essay. Whether nuclear weapons are based in Britain or not, its size and location make it militarily crucial to NATO and so an inevitable target in war. A nuclear-free Britain would mean a weaker NATO, weaker deterrence, and more risk of war; and if war started Britain would if anything be more likely, not less, to come under nuclear attack.

No-one can prove that deterrence has played a key part in maintaining peace for the last 35 years, the essay states, but common sense suggests that it must have done. Moreover, it can continue to hold, with growing stability, as the two sides deepen their understanding of how the system must work and how dangers must be avoided. To recognise this, however, is not to accept deterrence as the last word in ensuring freedom from war. No-one can acquiesce comfortably to it as the basis of international peace for the rest of time. It is necessary to seek unremittingly, through arms control and otherwise, for better ways of ordering the world. As yet, though, no safer system is in view. To tear down the present structure, imperfect but effective, before a better one is firmly within the world's grasp would be an immensely dangerous and irresponsible act.

North Atlantic Treaty Organisation

Meeting in May, members of the North Atlantic Council reaffirmed their determination to counter threats to their security and to international stability by increasing the defensive and deterrent capabilities of the North Atlantic Treaty Organisation (NATO) and by the pursuit of peaceful solutions to international problems. They also declared that arms control and disarmament remained an integral part of NATO's security policy and agreed that all states should contribute actively to the strengthening of the economies of developing countries.

The Council, attended by the foreign ministers of NATO's member states, met in Rome on 4 and 5 May. It was preceded by a meeting of NATO's Nuclear Planning Group in early April.

NORTH ATLANTIC COUNCIL

Expressing deep concern at the continuing threats to security and international stability, ministers reaffirmed their commitment to search for a more constructive East-West relationship. They stated, however, that this would also require tangible signs that the Soviet Union was prepared 'to abandon the disturbing build-up of its military strength, to desist from resorting to force and intimidation and to cease creating or exploiting situations of crisis and instability in the Third World'. The Soviet invasion and occupation of Afghanistan remained totally unacceptable to NATO and to world opinion, and ministers repeated their call for a withdrawal of Soviet forces and for a political settlement which would enable the Afghan people to exercise fully their rights of independence and self-determination and permit the 2 million refugees to return to their homes (see pp 355-6, 1980). Similarly, they pointed out that efforts to restore East-West co-operation in Europe would be severely undermined by the use or threat of force for intervention in the affairs of other countries. Any outside intervention in Poland would have the gravest consequences. For their part, the Allies would continue to adhere strictly to their policies of non-intervention and would call on all other states to do the same (see p 90).

Against this background, the ministers agreed that NATO members should strengthen their capability to deter aggression and act, individually or collectively, to encourage Soviet restraint and responsibility in order to lay a stable basis for East-West relations.

Alliance Co-operation

With a view to ensuring the Alliance's solidarity, ministers promised to consult closely on all matters affecting security and East-West relations, and also to provide assistance for the economically less advanced member countries. At the same time, agreeing that the maintenance of an overall military balance between NATO and the Warsaw Pact was fundamental to the security of the Alliance, the enforcement of restraint and the maintenance of peace, they resolved to make available all the resources needed to provide the requisite strengthening of their deterrent and defence forces.

Third World

Recognising that genuine non-alignment was an important factor for stability in the world, ministers agreed to continue to encourage stability and reduce the risks of crisis in the Third World, especially where the independence of sovereign nations was threatened. Political settlements had to be found to crises or conflicts, especially when they affected sensitive areas such as the Middle East, South-East and South-West Asia or Southern Africa. The Allies desired to work to this end in co-operation with other countries.

Ministers also recognised that the stability and genuine non-alignment of Third World countries depended on their freedom to develop economically and socially without outside interference, and they called on all states to refrain from exploiting social problems or fomenting instability for political advantage. Equally, all states had to contribute actively to strengthening the economies of developing countries and to the fight against hunger, poverty and under-development. For their part, the Western nations also offered these countries the trade, technology and respect for political sovereignty that were vital for their independence and economic well-being.

A number of Allied countries, ministers noted, possessed or were determined to acquire the capability to deter aggression and to respond to requests by nations for help in resisting threats to their security or independence (see pp 134–136).

East-West Relations

Whenever Soviet behaviour made it possible, ministers stated, NATO members would continue to maintain a dialogue with the Soviet Union and work together for genuine détente. The Helsinki Final Act (see pp 351-5, 1980) provided a code of conduct that had to be observed by all the signatories, and, at the Conference on Security and Co-operation in Europe (CSCE) meeting in Madrid, the Allies were seeking substantive and balanced results which would lead to better implementation of the Final Act's principles and provisions, including respect for human rights, improved human contacts, a freer flow of information and enhanced security and co-operation. They were also supporting France's proposal for a conference on disarmament in Europe aimed at achieving, in an initial phase, an agreement on a coherent set of militarily significant, binding and verifiable confidence-building measures, applicable from the Atlantic to the Urals. Such a conference should be an integral part of the CSCE process, and it would be for a future CSCE follow-up meeting to examine ways of continuing these efforts for security and disarmament.

Arms Control and Disarmament

Averring their support for arms control and disarmament negotiations as an integral part of the Alliance's security policy, ministers stressed the value of stabilising, equitable and verifiable arms control through limitations on Soviet and United States strategic arms. They recognised, however, that such negotiations could only progress in an international climate of confidence.

Ministers of those countries taking part in the negotiations on mutual and balanced force reductions reaffirmed their determination to achieve genuine manpower parity in the form of a common collective ceiling based on agreed data. They regretted that no substantial progress had been made in the negotiations, largely because the Eastern participating states were still unprepared to provide clarificatory data concerning the size of Soviet forces in Central Europe.

Berlin

Emphasising that the strict observance and full implementation of the 1971 Quadripartite Agreement on Berlin remained vitally important for European security, East-West relations and the international situation as a whole, ministers spoke of their continued support for the Federal Republic of Germany's efforts to secure the cancellation of the increased minimum exchange requirements for visitors to East Berlin introduced in 1980 (see p 316, 1980).

Theatre Nuclear Forces

The ministers concerned reaffirmed their commitment to the 1979 decision on long-range theatre nuclear forces (LRTNF) modernisation and arms control and emphasised that, in the light of increasing Soviet LRTNF deployments, the modernisation of NATO's forces was now more essential than ever. It also offered the only realistic basis for parallel TNF arms control. The latest Soviet proposal for a moratorium on LRTNF deployments[1] was wholly unacceptable since it would perpetuate NATO's inferiority by blocking the modernisation programme altogether. Moreover, the proposal would permit the Soviets to increase the threat to NATO by failing to limit systems capable of striking Allied territory from east of the Urals. The ministers welcomed, however, the intention of the United States to begin negotiations with the Soviet Union on TNF arms control within the SALT framework by the end of the year.[2]

NUCLEAR PLANNING GROUP

The continuing build-up of Soviet nuclear forces, particularly LRTNF, was also discussed by NATO's Nuclear Planning Group which met in Bonn on 7 and 8 April. Ministers noted that, with its SS20 missiles alone, the Soviet Union had already deployed some 660 warheads – more than were planned for in NATO's LRTNF modernisation programme, the first of which would not be deployed until late 1983. Moreover, with their range of up to 5,000 km, SS20 missiles located in the non-European part of the Soviet Union also threatened Western Europe. The situation had been further exacerbated by the development of several new shorter-range missile systems with nuclear warheads and by the substantial modernisation which Soviet tactical air forces were now undergoing.

Against this background, ministers agreed that the restoration of an overall military balance between NATO and the Warsaw Pact was fundamental to the security of the Alliance. NATO's primary aims remained deterrence and stability based on the possession of a triad of forces – conventional, theatre nuclear and strategic nuclear – and strong, diverse and flexible theatre nuclear weapons were essential if deterrence were to be maintained. They agreed, therefore, to proceed with the planned schedule of the modernisation programme while at the same time making efforts to reach balanced, equitable and verifiable arms control agreements limiting such forces. They hoped that the balance could be achieved at a lower level of armaments.

Britain's Overseas Economic Relations

Some of the special features of Britain's world-wide economic and political links – the country's status and expertise, its support for

[1]Addressing the twenty-sixth congress of the Communist Party of the Soviet Union on 23 February, President Brezhnev called for a moratorium on the deployment of medium-range nuclear missiles in Europe which would 'freeze the existing quantitative and qualitative level of these weapons, including the United States' forward-based nuclear weapons in this region'. The moratorium would include, he added, all preparations for the deployment of missiles under NATO's modernisation programme.

[2]The United States Secretary of State, General Alexander Haig, announced on 4 May that he intended to discuss the timing and procedures for resuming these negotiations with the Soviet Foreign Minister, Mr Andrei Gromyko, in New York in September at the opening of the United Nations General Assembly.

the United Nations and the developing world, its membership of the European Community, and its own human and natural resources – provided the themes of a recent speech by the Secretary of State for Foreign and Commonwealth Affairs, Lord Carrington.

Addressing the Birmingham Chamber of Commerce on 22 April, Lord Carrington said that the economic difficulties which Britain faced, to a greater or lesser degree, with every country in the industrialised West had led too many people towards 'the quack prescriptions of economic protectionism and political neutralism'. He pointed out that since the Middle Ages Britain had spread its roots wider and deeper than any other country in history. Although in the recent, post-war years much effort had been spent becoming used to 'the idea that we are no longer a Great Power', Britain remained a major trading nation, more heavily dependent than any of its European partners on the ability to sell its goods abroad. With a population of nearly 60 million in a relatively small area, self-sufficiency was an option not available; the country's living had to be earned by trade, and this meant the protection and promotion of world-wide interests.

Britain's involvement world-wide was not an 'anachronistic post-colonial self-indulgence', the Foreign Secretary emphasised, but 'an essential part of our struggle to compete and prosper in the exacting conditions of today'. In its endeavours Britain had a combination of assets and potential for advance that few could match.

Role in the World

First among Britain's assets was its knowledge of the world and status in it. The depth and variety of expertise covered almost all parts of the world, traditional links extended to all continents, and few major cities did not have a British community. Lord Carrington said that much of his time as Foreign Secretary was spent 'cultivating these links and keeping them in good repair'; he believed that Britain's status had a direct influence on its commercial success.

There was a need, too, to reinforce prestige by an active foreign policy. 'Just because we no longer have an empire, that does not mean we cannot play a role in the world or try to influence events abroad', he said. 'Indeed, there is a sense in which a middle-ranking power such as [Britain] has to exert itself a good deal more if it is effectively to defend and further its overseas interests than does a super power.'

The United Nations, the main forum for the meeting of the developed and developing world, was an important focus for Britain's activities. As one of only five permanent members of the Security Council, Britain still exerted considerable influence, and had an important part to play in discussion of such issues as Southern Africa, or the global negotiations between developed and developing countries.

The aid programme too, Lord Carrington continued, was a vital part of Britain's role in the world. Government economies had inevitably restricted the ability to provide aid, and Britain would like to give more, but the country remained one of the main aid donors and the quality of aid given stood comparison with other countries' (see pp 33-5). One of the best examples of the importance of aid was provided by Zimbabwe. The recent aid conference, at which Britain had played a leading part (see p 92), had been a resounding success. Thanks to the timely provision of Western aid funds there was every reason to hope that Zimbabwe, 'potentially one of the most powerful countries in Africa', would remain a friend of the West and a responsible and influential member of the international community.

The European Community

The second great asset in facing the problems of the 1980s was membership of the European Community. The Community increasingly provided the framework within which Britain operated world-wide, politically, commercially and economically; for a Britain wishing to play its part in the world, the Community was indispensable. 'Without it our efforts would be ineffective. Within it we can work for policies which harness the negotiating weight of the world's biggest trading entity to the objectives we share with our partners.'

Explaining the Government's policy of commitment to Community membership, Lord Carrington said that this did not indicate 'an uncritical acceptance of the present mix of policies and activities, regardless of the imbalances that may have crept in'; equally, when Britain argued for reform and a degree of development and change, it was not undermining the Community or demonstrating a lack of commitment to it.

Britain's aims, he said, were: a strong and healthy Community; spending policies taking full account of all its members; 'policies and activities directed towards the problems of the 1980s, not those of the 1960s'; and 'a Community sufficiently flexible to embrace the characteristics and requirements of ten, and soon twelve, very different nations, but sufficiently integrated and united, both internally and externally, to present a common front on the major economic and political questions of the day'.

The task of reviewing the budgetary structure this year would not be an easy process, and much was at stake. But, if a solution could be found to rectify current imbalances, to control excessive expenditure on agriculture and devote the money saved to other sectors, and to ensure that no member state would ever again find membership costs unbearably high, the Community would be greatly strengthened. In 1980 the Community had found a short-term solution to the budget problem which had brought it to the brink of open crisis. 'This year', said Lord Carrington, 'I believe we can and must do better and find a lasting solution.'

Another aim was to work for a Community which brought greater tangible benefits to its peoples. Progress was needed towards a truly common market by eliminating the many remaining barriers to trade and by extending to the service sector, insurance for example, the benefits of a single economic area. 'We want to make sure

that those who provide goods and services can take full advantage of a home market of 270 million people with a gross domestic product of over £1,000 billion a year – more than the United States . . . . Consumers too should benefit from some of the advantages of price and quality that come from competition in such a market.'

'Finally,' Lord Carrington continued, 'we want to advance towards a united and more effective European response to outside events.' The European Council meeting in March in Maastricht (see p 88) had discussed not just the difficulties of current Community business, but the problems of the wider world; relations with Japan, the United States and developing countries; and the major areas of tension – Poland, Afghanistan and the Middle East. 'These', said the Foreign Secretary, 'are vital issues to [Britain and its] partners in Europe. They will continue to trouble us through what is bound to be a difficult and dangerous decade. The more Europe can work out a common response, the more effective we shall be in dealing with them.' Lord Carrington questioned how it could be seriously suggested that Britain withdraw its membership and set itself 'apart from those with whom we have the greatest common interests'.

Britain's Resources

Britain's third asset, Lord Carrington suggested, was its 'reserve of human and natural resources'. There were signs that regeneration of British industry was taking place, with 'gains in productivity that would have been inconceivable only a few years ago'; the battle against inflation was beginning to pay off, with a new realism in pay settlements. Combined with North Sea wealth, this meant that Britain could well be placed to take its share of markets when the world emerged from recession.

Namibia

Britain, together with France and the United States, has voted against four draft resolutions calling for comprehensive, mandatory sanctions against South Africa which were placed before the United Nations Security Council during a debate on Namibia. Britain sees its vote as being in the best interests of keeping open the prospect of a negotiated settlement for Namibia.

In accordance with decisions taken by the Organisation of African Unity and the non-aligned movement, the African group in the United Nations initiated a debate on Namibia in the Security Council on 21 April and placed before it five[1] draft resolutions calling for the imposition of comprehensive mandatory sanctions against South Africa for its refusal to implement the United Nations plan for Namibia's independence, laid down in Security Council Resolution 435 (see pp 350-2, 1978). The measures called for included prohibitions on trade, investment and tourism; an oil embargo; and an extension of the arms embargo which has been in operation since November 1977 (see pp 415-17, 1977).

[1]The fifth proposal, which would have created a council committee to oversee the sanctions, was not put to a vote as it was dependent on the adoption of the other four.

Britain's Views

Explaining the veto of the draft resolutions on 30 April, Britain's Permanent Representative to the United Nations, Sir Anthony Parsons, said that Britain had from the outset been vigorously involved in the effort, which had been in progress since 1977, to achieve internationally recognised independence for Namibia, and it was one of the co-authors of the Western plan which formed the basis for resolution 435. Britain bitterly regretted the failure of the pre-implementation meeting at Geneva last January (see pp 39-40) and sympathised with the feelings of frustration and impatience which this setback had inevitably produced in Africa and in the international community.

Sir Anthony stated without reservation that a negotiated settlement leading to internationally accepted independence for Namibia remained his Government's first objective and, he trusted, the first objective of all countries concerned for the future of Namibia and of the region. It was Britain's intention to keep open if at all possible the prospects for such a negotiated settlement. While deeply regretting the outcome of the Security Council debate, Britain had voted against the resolutions because it believed that the imposition of comprehensive, mandatory sanctions against South Africa could not fail to hamper efforts to reach such a settlement. So far from having the desired effect, sanctions, if applied, would simply cause economic harm to many African and Western countries including Britain. He concluded: "To those who have been tempted in the past, or who may be tempted in the future, to frustrate progress towards a peaceful, negotiated settlement, I say that the imperative of an internationally acceptable independence for Namibia will not go away. The concern and responsibility of the United Nations for Namibia will not go away. A continued denial of independence to the people of Namibia will perpetuate instability and bloodshed in the region. Only a settlement offers hope for peace and stability. Notwithstanding what has happened in the Council . . . my Government will continue actively with our partners in the Western five to develop ways to enhance the possibilities of the implementation of . . . resolution 435. The search for peace and justice must continue and the consensus of the Security Council on which we have all depended for so long, must be re-established as soon as possible."

Other Developments

Following the failure of the pre-implementation meeting at Geneva, the governments of the five Western powers (Britain, Canada, France, the Federal Republic of Germany and the United States) have been engaged in extensive consultations to reassess the situation in Southern Africa and prospects for a negotiated settlement for Namibia. Senior officials of the five powers met in London on 22-23 April to review the situation in Namibia at the conclusion of consultations in

Africa by the United States Assistant Secretary-Designate for African Affairs, Mr Chester Crocker. In a press statement following the meeting, the five countries agreed that it was of the utmost importance to bring Namibia to independence at the earliest possible date, and they reiterated their commitment to an internationally acceptable settlement. In this context they also agreed that resolution 435 continued to provide a solid basis for a transition to independence in Namibia. They considered possibilities for strengthening the existing plan and agreed that it was necessary to develop more specific proposals for discussion with the parties concerned.

A further meeting of the five Western powers took place in Rome on 3 May. In a communiqué their foreign ministers expressed their regret over the outcome of the Security Council debate but welcomed the desire of the great majority of participants in the debate for the five powers to continue to work for a settlement. Recognising that the settlement plan endorsed by resolution 435, together with additional features such as the proposal for a demilitarised zone on the border between Namibia and Angola, had not proved sufficient to bring about implementation, they agreed to meet again in late May to develop proposals designed to increase the prospects of achieving a negotiated settlement. These proposals would encompass measures including constitutional arrangements.

Shorter Note

THE BANABANS

Britain, Australia and New Zealand have made an *ex-gratia* payment of $A 10 million[1] to the Banabans, the former inhabitants of Ocean Island (known locally as Banaba) in Kiribati who are now settled on the island of Rabi in Fiji. As envisaged in May 1977, when the offer was originally made (see pp 23–4, 1979), the money will go into a Banabans Trust Fund which has been established to provide for the economic future of the Banabans following the cessation in 1979 of phosphate mining on Ocean Island, hitherto their main source of income. The revenue from the Fund will be used for the benefit of the Banaban community as a whole. In addition, the three countries have agreed to provide the Rabi Council of Leaders with some $A 4·5 million in lieu of payment of interest on the $A 10 million since May 1977.

During the Japanese occupation of Kiribati (then the Gilbert Islands) in the second world war, the Banabans were dispersed to other islands. After the war they resettled on Rabi, the island having been purchased for them in 1942 with funds accumulated from phosphate revenues. In subsequent years, the Banabans claimed that Ocean Island's phosphate, the revenue from which was shared between the Gilbert Islands and the Banabans, was being exploited on terms greatly to their disadvantage, and engaged in prolonged action in the British courts on these grounds. In 1977, however, this action ended without success, though the court expressed sympathy with the Banabans and considered that they had not always been treated as well as they should have been. It was soon after this that the offer of $A 10 million to establish a trust fund was announced. In finally accepting this in April 1981, the Rabi Council of Leaders also executed various indemnities in favour of the Governments of Britain, Australia, New Zealand and Kiribati and of the British Phosphate Commissioners which had operated the phosphate mines.

[1]Australian dollars.

ECONOMIC AND SCIENTIFIC AFFAIRS

Oil and Gas

During 1980 Britain's oil production was virtually equivalent to its requirements and in much of the summer was regularly greater than consumption, according to the latest Department of Energy annual review of oil and gas developments. Indigenous oil and natural gas production were equivalent to about 40 and 16 per cent respectively of Britain's primary fuel consumption and accounted for just under 3 per cent of the gross national product. Capital investment was some £2,400 million, 6 per cent of total investment in Britain. In May 1981 the oil terminal at Sullom Voe (Shetland), the largest in Europe, was officially opened. In 1980 the British National Oil Corporation reported pre-tax profits four times the level of the previous year.

ANNUAL REVIEW

The annual report of the Department of Energy on the development of Britain's oil and gas resources was published on 28 April.[1]

Oil Production, Reserves and Exports

Britain's oil production in 1980 was 80·5 million tonnes, slightly more than in 1979, compared with total requirements of about 81 million tonnes. Output regularly exceeded consumption during the summer months, but fell short during some winter months. During the year the Murchison field came onstream, bringing the number of offshore oilfields in production to 15 (see Table 1). In January 1981 the Tartan field started production and two more offshore fields, Beatrice and Buchan, are expected to come onstream later in the year. Named oilfields are shown on the map on p 145. Production is estimated to rise to 80-95 million tonnes in 1981, 85-110 million tonnes in 1982, 85-115 million tonnes in 1983 and 90-120 million tonnes in 1984. Reserves originally in the United Kingdom Continental Shelf (UKCS) are now estimated at 2,175-4,350 million tonnes: 1,400-2,575 million tonnes in present discoveries (after extraction of 263 million tonnes, some 1,125-2,300 million tonnes remain) and 775-1,775 million tonnes in future discoveries. In July 1980 the Secretary of State for Energy, Mr David Howell, announced the Government's policy on oil depletion (see p 243, 1980). The Government believes that 'on strategic and security of supply grounds it is in the national interest to prolong high levels of UKCS production to the end of the century', and that this requires action to increase exploration and to defer some oil production from the 1980s. In pursuance of that approach, Mr Howell announced in December 1980 that the development of the Clyde oilfield would be deferred for two years.

About half of the oil from the UKCS is exported, the balance of requirements for British refineries being met by imports of crude oils of a different type from North Sea oil. Exports of UKCS crude oil in 1980 amounted to some 38·8 million tonnes, virtually all of which went to the markets of Britain's partners in the European Community and the International Energy Agency. The two largest markets were the Federal Republic of Germany (which took 13·2 million tonnes) and the United States (6·8 million tonnes).

Gas Production and Reserves

Production of natural gas amounted to 37,290 million cubic metres (mcm) in 1980, about 2,000 mcm less than in 1979 (see Table 2). UKCS production accounted for 78 per cent of gas supplied to the British Gas Corporation, compared with 81 per cent in 1979, the higher import share reflecting reduced production from some of the fields in the Southern Basin of the North Sea and higher output from the British-Norwegian Frigg field. Negotiations continued between the British Gas Corporation and the producers of the Southern Basin fields with a view to the commitment of further investment to ensure the full economic recovery of their gas reserves. The Corporation acquired the licence for the area of the Rough field and intends to develop its reservoir capacity to help to match supply to seasonal demand; during periods of low demand gas produced elsewhere will be stored in the field, from which supplies will be drawn in the winter. Design work on the gas-gathering pipeline system and associated terminal, for which government approval was announced in June 1980 (see pp 243-4, 1980), is in progress. After allowing for cumulative production to the end of 1980, remaining gas reserves in the UKCS are estimated at between 750,000 and 2·15 million mcm.

Licensing

The examination of applications for licences under the seventh round of offshore petroleum produc-

[1] *Development of the Oil and Gas Resources of the United Kingdom 1981*. Department of Energy. HMSO, £4·50. ISBN 0 11 410918 4.

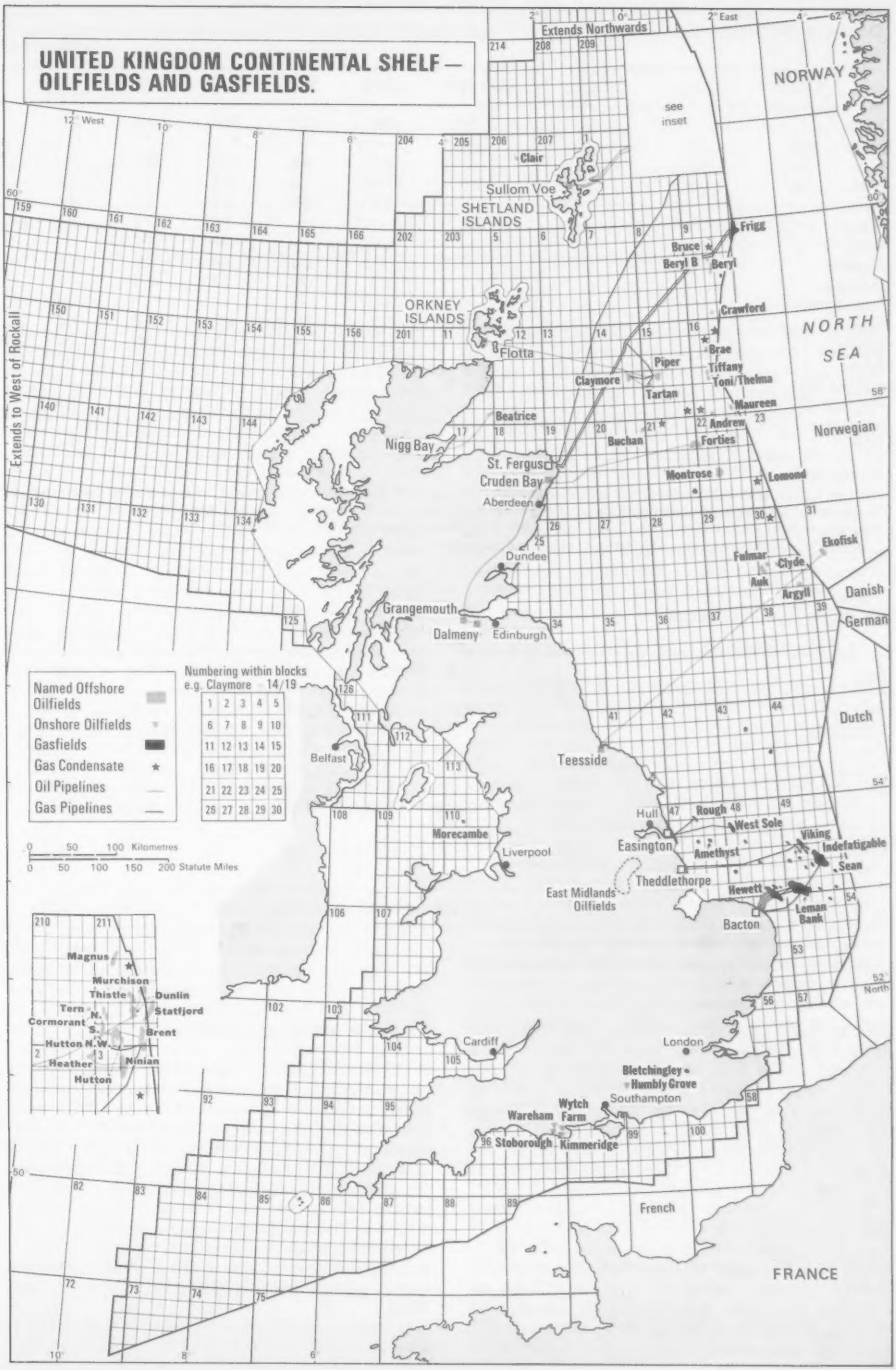
UNITED KINGDOM CONTINENTAL SHELF — OILFIELDS AND GASFIELDS.
Extends Northwards
NORWAY
see inset
Clair
Sullom Voe
SHETLAND ISLANDS
Frigg
Bruce
Beryl B
Beryl
ORKNEY ISLANDS
Crawford
NORTH SEA
Flotta
Brae
Tiffany
Toni/Thelma
Piper
Claymore
Tartan
Maureen
Extends to West of Rockall
Beatrice
Andrew
Norwegian
Nigg Bay
Buchan
Forties
St. Fergus
Cruden Bay
Montrose
Lomond
Aberdeen
Ekofisk
Dundee
Fulmar
Clyde
Ula
Argyll
Danish
Grangemouth
Dalmeny
Edinburgh
German
Named Offshore Oilfields
Onshore Oilfields
Gasfields
Gas Condensate
Oil Pipelines
Gas Pipelines
Numbering within blocks e.g. Claymore 14/19
Dutch
Belfast
Teesside
Hull
Rough
West Sole
Viking
Indefatigable
Sean
Morecambe
Liverpool
Easington
Amethyst
Theddlethorpe
East Midlands Oilfields
Hewett
Leman Bank
Bacton
Magnus
Murchison
Thistle
Dunlin
Statfjord
Tern
N. Cormorant
S. Brent
Hutton N.W.
Hutton
Heather
Ninian
Cardiff
London
Bletchingley
Humbly Grove
Southampton
Wytch Farm
Wareham
Stoborough
Kimmeridge
French
FRANCE
0 50 100 Kilometres
0 50 100 150 200 Statute Miles

Table 1
Offshore Oil Production

million tonnes

Field	1975	1976	1977	1978	1979	1980
Forties	0·6	8·6	20·1	24·5	24·5	24·6
Ninian	—	—	—	*	7·7	11·4
Piper	—	0·1	8·6	12·2	13·2	10·4
Brent	—	0·1	1·3	3·8	8·8	6·8
Beryl	—	0·4	3·0	2·6	4·7	5·4
Thistle	—	—	—	2·6	3·9	5·3
Dunlin	—	—	—	0·7	5·7	5·2
Claymore	—	—	0·3	3·0	4·0	4·4
Montrose	—	0·1	0·8	1·2	1·3	1·2
South Cormorant	—	—	—	—	*	1·1
Argyll	0·5	1·1	0·8	0·7	0·8	0·8
Heather	—	—	—	0·1	0·8	0·7
Auk	—	1·2	2·3	1·3	0·8	0·6
Statfjord (UK)	—	—	—	—	*	0·5
Murchison (UK)	—	—	—	—	—	0·4
Total	1·1	11·6	37·3	52·8	76·5	78·7

*Less than 50,000 tonnes.

Note: Total UKCS and onshore oil production in 1980 was 80·5 million tonnes, comprising 78·7 million tonnes of offshore crude oil, 1·1 million tonnes of heavier natural gas, 400,000 tonnes of condensate and 200,000 tonnes of onshore crude oil. The Tartan field began production earlier in 1981. Of the other named offshore oilfields shown on the map, the following are under development: Beatrice, Beryl B, Brae, Buchan, Fulmar, Hutton, Magnus, Maureen, North Cormorant and North-West Hutton.

Differences between totals and the sums of their component parts are due to rounding.

Table 2
Offshore Gas Production

million cubic metres

Field	1975	1976	1977	1978	1979	1980
Leman Bank	15,015	15,367	15,581	14,719	13,831	9,482
Indefatigable	6,249	6,355	6,779	6,450	6,006	6,878
Hewett area	7,644	8,113	7,852	6,392	6,288	6,568
Frigg (UK)	—	—	614	2,907	5,345	6,374
Viking	5,512	6,046	6,330	5,238	4,397	4,689
West Sole	1,826	2,012	1,947	1,533	1,365	1,445
Piper*	—	—	—	4	536	521
Rough	10	512	1,063	931	1,005	467
Other†	—	10	138	326	455	866
Total	36,256	38,415	40,304	38,500	39,228	37,290

*Associated gas used offshore or delivered to land via the Frigg pipeline system.

†Associated gas produced and used mainly on Northern Basin oil production platforms.

tion licensing was carried out in late 1980 and early 1981. In December 1980, 42 blocks were awarded in the area of the northern North Sea where companies were able to apply for blocks of their own selection (see pp 20-1) and in March 1981 awards were made in respect of 37 blocks listed by the Secretary of State for Energy; further awards in respect of a number of other blocks have still to be announced.

Eight new onshore production licences were also awarded in 1980 (see p 21), the first (apart from one issued in 1979) to be issued since 1971, while 35 exploration licences (which, unlike production licences, confer no right to drill for or purchase petroleum, but only permit surveys and shallow drilling to obtain geological information) were also awarded.

Economic and Industrial Effects

In 1980 UKCS oil and gas production accounted for nearly 3 per cent of Britain's gross national product. Sales of oil produced on the UKCS were valued at £8,900 million and of natural gas £600 million. A growing proportion of the value added by the UKCS sector will accrue to the Government as receipts of royalties, corporation tax and petroleum revenue tax (totalling some £3,840 million in 1980-81) continue to rise (see Table 3). An additional tax, Supplementary Petroleum Duty, is being introduced (see p 99), initially applying from the beginning of 1981 to the end of June 1982.

Capital investment in oil and gas production was estimated at some £2,400 million in 1980,

Table 3
Taxes and Royalties attributable to UKCS Oil and Gas

£ million

	1976-77	1977-78	1978-79	1979-80	1980-81 (provisional)
Royalties	71	228	289	628	940
Petroleum revenue tax	—	—	183	1,435	2,420
Corporation tax*	10	10	90	266	480
Total	81	238	562	2,329	3,840

*Estimated proportion of the tax payable in the year attributed to UKCS oil and gas, but before setting off any Advance Corporation Tax (ACT).

about 6 per cent of total investment in Britain and 18 per cent of industrial investment. Over the period 1965-80 investment of some £13,000 million (£21,000 million in 1980 prices) took place, together with expenditure of some £4,000 million in 1980 prices on exploration.

In 1980 the total value of orders reported by operators in the UKCS for equipment and services to be used in offshore operations was £2,400 million, of which the British share was 71 per cent, as against 79 per cent in the previous year. The reduction in the British share and in total orders occurred mainly as a result of fewer orders for production platforms than in 1979. A large part of the orders placed in 1980 represented plant, equipment and services associated with four projects—North Cormorant, North-West Hutton, Magnus and Maureen—which were started in 1979, and there was also substantial ordering in connection with onshore terminals. Procurement began in 1980 for several new projects including the Brae field where British firms were successful in winning orders for the steel jacket and most of the modules for production and processing equipment.

SULLOM VOE

The Sullom Voe oil terminal in Shetland, the largest in Europe and one of the biggest in the world, was officially opened by the Queen on 9 May. It has been built to handle crude oil from the fields to the north-east of Shetland (see inset on map on p 145) which is brought to the terminal by pipeline. The site of the terminal is at Calback Ness, some 30 miles (48 kilometres) north of Lerwick, and was chosen by the Shetland Islands Council because of its close proximity to the deep and relatively sheltered waters of Sullom Voe and its remoteness from places of special scientific interest. British Petroleum is the constructor and operator of the £1,200 million terminal, now 90 per cent completed, on behalf of 32 participating companies. The function of the terminal is to remove any gaseous hydrocarbons and water from the oil; to separate the gases in order to yield dry gas (to fuel a power station on the site) and propane and butane; and to store processed crude oil and liquefied gases pending dispatch by tankers.

The first oil was received at the terminal in 1978 and by the beginning of 1981 the daily throughput capacity was about 900,000 barrels[1] of crude oil. Crude oil and gas processing facilities will be commissioned progressively from mid-1981 and by mid-1982 the terminal will be able to handle 1·4 million barrels of crude oil a day, equivalent to 75 million tonnes a year. Sullom Voe is capable of receiving tankers of up to 300,000 deadweight tons. There are four crude oil jetties where tankers load and one of the jetties has loading facilities for liquefied petroleum gases. Traffic at the terminal has grown steadily and in 1980 over 28·4 million tonnes of oil were shipped out aboard 341 tankers. Comprehensive oil spill contingency plans have been drawn up for the area.

BRITISH NATIONAL OIL CORPORATION

Pre-tax profits of the British National Oil Corporation (BNOC) amounted to £309 million in 1980, four times the level in 1979, according to its annual report and accounts, published on 24 April.[2] After making provision for deferred taxation of £221 million, a net profit of £88 million remained. Sales were valued at £4,323 million in 1980, £1,078 million more than in the previous year, with equity sales nearly doubling in value to £511 million. By the end of 1980 oil was being produced from five fields in which the BNOC had an equity share: Thistle, Dunlin, Ninian, Statfjord (UK) and Murchison (UK). The Corporation's sales of crude oil totalled nearly 1 million barrels a day in 1980, of which its equity share in UKCS production accounted for 85,000 barrels a day, oil acquired under participation agreements for 618,000 barrels a day, oil purchased from third parties for 61,000 barrels a day, and oil representing royalty payments in kind from UKCS licensees and marketed on behalf of the Secretary of State for Energy for 180,000 barrels a day. During 1980 the BNOC's capital expenditure was £209 million (£173 million on its share of the development of oilfields and associated facilities and £36 million on exploration), slightly lower than in 1979 as a number of fields moved from the development phase into production. In October 1980 the Government gave details of its forthcoming proposals on the future of the BNOC (see pp 328-9,

[1] 1 barrel = 0·135 tonne.

[2] *The British National Oil Corporation. Report and Accounts 1980.* Available free from the BNOC, 150 St Vincent Street, Glasgow G2 5LJ. ISBN 0 906049 04 0.

1980) and these were incorporated in the Petroleum and Continental Shelf Bill, which was introduced in Parliament in February 1981. Later in 1981 the Government intends to issue revenue bonds (see p 97), the interest on which will be geared to certain aspects of the BNOC's North Sea operations.

Business Opportunities Programme

A campaign to draw attention to the opportunities and incentives available to small firms and to potential entrepreneurs was formally launched by the Chancellor of the Exchequer, Sir Geoffrey Howe, on 5 May. With economic recovery not far away, in his view, changes that had been made would place new and small firms in a position to take advantage of the recovery.

Announced in the Budget speech (see p 104), the Business Opportunities Programme will be a continuing publicity campaign that includes new leaflets explaining the opportunities and incentives available, a programme of ministerial speeches, and discussion and seminars organised by the Department of Industry with groups of existing and potential small businessmen in various parts of the country.

Role of Small Firms

'The most important aim of the Business Opportunities Programme is to change attitudes', Sir Geoffrey said. 'We have suffered for too long from a social ethos which does not recognise the importance of the small firms sector, does not sufficiently appreciate risk-taking and initiative, and underplays the difficulties and achievements of those who run and finance small businesses.' The Government was absolutely committed to a vigorous and expanding small firms sector. 'The emergence of new firms, and the growth of existing small firms, create employment, have an important role to play in regenerating industry and are often in the vanguard of innovation and technological advance. In short, they are our future.'

The Government had begun to attack the problem of changing attitudes to small firms. The Department of Industry was engaged in increasingly close discussions with small businessmen all over the country, and under the Business Opportunities Programme this would be stepped up. There was a limit to what the Government could do, however, and success in changing attitudes also depended on the many non-governmental organisations that were helping small businesses. [For examples of the work of such organisations, see pp 115–16.]

Incentives for Small Firms

The whole climate in which small firms operate had been transformed in the last two years, Sir Geoffrey said. It was part of the aim of the Business Opportunities Programme to help small businessmen to keep abreast of all that was happening.

Changes to the tax system had included a cut in the marginal rate of income tax announced in the 1979 Budget statement (see pp 196–7, 1979), and the following measures announced in the 1980 Budget statement (see pp 119–20, 1980): the easing of the burden of capital taxation; the 2 per cent reduction of the rate of small firms' corporation tax to 40 per cent; the ending of close company apportionment rules; the increase in the VAT registration limits for small traders; and the small workshops scheme of allowances to encourage the construction of small industrial buildings.

Steps taken to encourage the flow of funds into small firms had included the venture capital scheme (see p 120, 1980, and p 103) and the loan guarantee scheme and the business start-up scheme announced in the last Budget statement (see p 103). The loan guarantee scheme would begin on 1 June.

Other measures included safeguarding the interests of small firms through employment legislation (see p 21, 1980), giving them the right to pay rates by instalments, reducing planning controls and regulations, reducing the rate of development land tax (see p 194, 1979), establishing the enterprise zones (see p 278, 1980), and removing pay and price controls (see p 340, 1979), dividend controls (see p 196, 1979) and exchange controls (see p 338, 1979).

Telecommunications

Complete freedom for private sector suppliers to use the national telecommunications network to provide services to third parties is one of the major recommendations of a report now being considered by the Government. Other recent developments in telecommunications include the opening of a new type of electronic telephone exchange and the announcement of plans for Teletex, a high-speed desk-to-desk message service which will be inaugurated in 1982.

SERVICES TO THIRD PARTIES

In announcing in July 1980 the Government's plans for relaxing the monopoly of British Telecommunications (BT) on operating telecommunications systems (see p 249, 1980), the Secretary of State for Industry, Sir Keith Joseph, said that firms would be given more freedom to use BT circuits to offer to third parties services not currently provided by BT, for example in the field of data processing. In September 1980 the Department of Industry commissioned Mr Michael Beesley, Professor of Economics at the London Graduate School of Business Studies, to study the economic implications of allowing complete freedom to offer services to third parties over BT

circuits. Professor Beesley's report was published on 15 April[1] and on that day Sir Keith Joseph made a statement in the House of Commons (*Hansard*, Vol 3, No 89, cols 323-4).

Sir Keith said that Professor Beesley had recommended 'full freedom for private sector suppliers to use the national network to provide telecommunications services to third parties'. Professor Beesley had pointed out that data and voice communication technologies were 'rapidly converging, making the existing BT monopoly arbitrary and constricting', and had argued that, 'if private firms were free to use the network, this would bring about innovation and substantial consumer benefits'. Much of the revenue lost by BT should be offset by increased traffic as the private sector provided more services using the BT network. Sir Keith said that, if Professor Beesley's recommendation were adopted, he 'would expect BT to be spurred to provide an even better service'; the Government was 'attracted by the free market, please-the-customer, arrangements recommended', but the implications were far-reaching and views were invited before a detailed decision in July 1981.

Sir Keith said that Professor Beesley had also considered the implications of possible liberalisation of the use of BT's international circuits and of possible competition for the main BT network within Britain. The free use of international circuits involved complex issues and he was inviting BT to comment on this matter. He had indicated in his statement in July 1980 that he intended to explore the scope for allowing the provision of additional transmission services. A number of organisations had been investigating the market possibilities, and he would make a further statement as soon as possible.

ELECTRONIC TELEPHONE EXCHANGES

The first of a new type of electronic telephone exchange, known as the TXE4A, a development by Standard Telephones and Cables Ltd of the original TXE4 large local electronic exchange, was opened in Leicester on 2 April. The TXE4A and System X, a series of advanced all-electronic digital telephone exchanges (see pp 169-70, 1980), will play a major part in the improvement programme planned by BT for the telecommunications system in Britain. These electronic exchanges give a much better service than the electromechanical exchanges they replace, being more reliable, more efficient and easier to maintain.

About 2·5 million users have their telephones linked to electronic exchanges and by 1985 the number will double to 5 million. The rate of installation of electronic exchanges is accelerating and exchange modernisation forms the largest single element in BT's investment programme of over £2,000 million a year. BT's target is to replace all its old electromechanical equipment by modern exchange systems by 1992.

[1]*Liberalisation of the Use of British Telecommunications Network*. A study by Michael E. Beesley, Professor of Economics, London Graduate School of Business Studies. Department of Industry. HMSO, £3·60. ISBN 0 11 513249 X.

The 1,300 or so local electronic exchanges in operation in Britain are of two basic types: the TXE2 (of which 1,200 are in use), serving from a few hundred up to 7,000 customers; and the TXE4 (of which over 100 have been installed), each capable of providing up to 40,000 connections. The TXE4A is a more advanced and cost-effective version of the original TXE4 type, incorporating the latest microelectronics technology, which will enable it to provide extra facilities in the future. The TXE4 series will be the main component in BT's programme of replacing Britain's large local Strowger electromechanical exchanges. By the mid-1980s some 350 will be in use, serving over 4 million customers, with the number doubling to about 700 by the end of the decade, serving 10 million customers. In addition, System X will be making a significant contribution to exchange modernisation. BT is concentrating on System X for the modernisation of the long-distance trunk telephone network, and by the mid-1980s a basic digital network will connect Britain's 30 principal commercial centres.

TELETEX

Details of Teletex, a high-speed desk-to-desk message service to be inaugurated early in 1982, were given by the Managing Director of BT, Mr Peter Benton, on 13 April. Users will be able to type letters, internal memoranda and other messages on their terminals as if using ordinary typewriters, and the correspondence will be transmitted over the telephone network. Messages will be transmitted at up to 3,500 words a minute, compared with 80 a minute for telex services. Mr Benton said that Teletex would 'herald a major step forward in office automation'. It would help Britain to achieve 'a significant improvement in business communications and maintain its position as one of the world's leading trading nations'. Initially Teletex would use the public telephone network and the packet switched data service, but connections would soon be provided with the telex network, enabling Teletex customers to communicate directly with the 90,000 telex terminals in Britain and also with the 1 million telex users overseas. International standards for Teletex have recently been agreed by the International Telegraph and Telephone Consultative Committee, a committee of the International Telecommunication Union (an agency of the United Nations). Mr Benton said that, with the adoption of these standards, he was sure that Teletex would develop rapidly around the world. BT was discussing arrangements for an international service with a number of countries including the Federal Republic of Germany, Sweden and Belgium.

Lloyd's Bill

The Lloyd's Bill, a private Bill which seeks to improve self-regulation in the Lloyd's insur-

ance market, has received its second reading in the House of Commons.

In 1979 a working party was set up under the chairmanship of Sir Henry Fisher to inquire into self-regulation at Lloyd's and to review the constitution of Lloyd's, the powers of the Committee (which manages the affairs of the market) and other relevant matters.[1] Reporting in May 1980 (see pp 250-2, 1980), the working party expressed the view that a properly conducted system of self-regulation was essential and that the Committee of Lloyd's did not provide such a system. It also felt that substantial changes in the constitution, which would require amendment of the statutes, were necessary. Extensive consultations on the report resulted in the Lloyd's Bill, which received its second reading in the House of Commons on 24 March by 206 votes to 42 (*Hansard*, Vol 1, No 74, cols 859-92 and No 75 cols 893-4).

Parliamentary Debate

Moving the second reading of the Bill, Sir Graham Page, Conservative member for Crosby, noted that Lloyd's provided employment for 72,000 people and made overseas earnings of £515 million a year. He pointed out that the constitution of Lloyd's dated from the Lloyd's Act 1871 and added that in three important respects the constitution had in recent times proved an obstruction to the effectiveness of Lloyd's in the insurance market. First, under the 1871 Act the Committee of Lloyd's was not allowed to make by-laws; these could be made only by a resolution of two general meetings. The Bill proposed a new Council to take over the functions of the existing Committee, and to make by-laws. Secondly, the present disciplinary procedure of Lloyd's was extremely cumbersome. The Bill provided for an efficient disciplinary procedure involving a disciplinary committee and an appeal tribunal. Thirdly, under the 1871 Act the statutes dealt only with the underwriting members of Lloyd's; brokers, for example, were not mentioned in the statutes. The Bill sought to allow Lloyd's to govern all those operating in the market.

The proposed Council would consist of 16 working members of Lloyd's (the same number as on the existing Committee), six external members and three members from outside the community of Lloyd's. Sir Graham said that since the Bill had been printed an argument had been put forward that the representation of external members was too low (they accounted for over 15,000 of the total membership of about 19,000), and he gave an undertaking that the promoters of the Bill would seek to increase the number of external members to at least eight.

The Bill would retain the by-law under which any member of Lloyd's could call a general meeting if requested by 15 fellow-members. However, if the purpose were to attack a by-law made by the proposed Council, the meeting would have to be requested by 500 members.

The Council would be able to delegate matters to a new Committee, which would consist of the 16 working members.

Sir Graham expressed the view that, if the new Council were to be given increased powers to prevent malpractice and to control insurance business at Lloyd's, there was a case for its immunity from actions for damages. The Bill sought to give the Council, and also members of Lloyd's, immunity more extensive than the normal immunity available under the Companies Act 1948. However, the promoters of the Bill felt that immunity was a matter to be decided by subordinate legislation rather than to be included in the text of the Bill.

Mr Reginald Eyre, Under-Secretary of State for Trade, paid tribute to all who contributed to the success of Lloyd's and pointed out that between 1970 and 1979 it had accounted for 42 per cent of the overseas income of the insurance industry. Although many of Lloyd's procedures, 'founded firmly in custom and practice', had worked perfectly well in the past, some updating of the law was required. There was, however, 'no case for destroying the institutional framework'. Detailed provisions were matters for the promoters and for the House; the Government wished the Bill well.

[1]For further information on Lloyd's see COI reference pamphlet *Insurance in Britain*, R5787/78.

Shorter Notes

BRITISH RAILWAYS BOARD

Although the number of passenger journeys on British Rail trains in 1980 was the highest for nine years, the British Railways Board's activities were adversely affected by the recession and, after four years of surpluses, it recorded an operating loss of £8 million, according to its annual report and accounts, published on 15 April.[1] In 1980 turnover totalled £2,645 million (£349 million more than in 1979) including payments of £634 million from the Government and local authorities for the public service obligation to provide rail passenger services. The loss, after taking account of interest and financing charges, was £76·9 million, compared with a small net surplus in the previous year, but the report says that the deficit should be seen in the context of an estimated loss of receipts of between £100 millon and £120 million attributable to the effects of the recession. Freight traffic was particularly affected, with total freight carried (153 million tonnes) being 10 per cent less than in 1979. However, passenger journeys rose by 2 per cent to 760 million, while estimated passenger mileage—19,700 million miles (31,700 million kilometres)—fell only slightly and remained in the high levels last reached in the early 1960s. Inter-city traffic, although affected by a mid-year decline in business travel, fell by only 2 per cent from the record 1979 level and revenue from these services rose by 20 per cent to £460

[1]*British Railways Board. Annual Report and Accounts 1980.* BRB. Available from HMSO, £3. ISBN 0 11 983182 1.

million. Inter-City 125 services, operated by High Speed Trains, were introduced between London (Paddington) and the West of England in May 1980 and those in operation on the East Coast main line from London (King's Cross) to Edinburgh and Aberdeen brought a 7 per cent increase in traffic. British Rail Engineering Ltd achieved a record level of output and further productivity improvements, while meeting outside orders worth £40 million, mainly for export. Transmark, the Board's consultancy subsidiary, won major contracts in Greece and Egypt, and had teams working on 94 projects in 31 countries. British Rail Investments Ltd was set up as a wholly owned subsidiary to hold the assets and shares of the three non-rail subsidiaries (Sealink UK Ltd, British Transport Hotels Ltd and British Rail Hovercraft Ltd) and non-operational property, in connection with the policy of introducing private capital into these activities (see p 52).

SCIENCE AND ENGINEERING RESEARCH COUNCIL

The Science Research Council is now to be known as the Science and Engineering Research Council, in recognition of the increasing importance it has been placing on ensuring that engineering research departments in universities and polytechnics have the necessary resources to produce the innovative technology and highly qualified manpower required by British industry.

The proportion of the Council's budget allocated to its engineering board rose by 50 per cent between 1973-74 and 1979-80 (although the total budget fell in real terms). The major element of that growth was applied to stimulate and support research programmes of the greatest potential benefit to the national economy, in such areas as marine technology, polymer engineering, manufacturing systems, energy, micro-electronics and materials. Great emphasis has been placed on achieving a high level of academic-industrial collaboration with the aim of effecting rapid technological transfer.

Through such collaborative schemes most large companies are well aware of the help the Council has given in funding academic partners and providing assistance for postgraduate work. It is hoped that the change of name will also encourage smaller companies to view the Council as a medium for collaboration with academic researchers.

Source: Science and Engineering Council press notice, 30.4.81.

SPACE CONSULTATIVE COMMITTEE

A new forum to co-ordinate government action on space matters, the Space Consultative Committee, will include representatives of the Government, the space industry and major users and potential users of space systems such as British Telecom, the research councils and the broadcasting authorities.

Announcing this on 27 April, the Parliamentary Under-Secretary of State for Industry, Mr Michael Marshall, said the Government had three main roles in space development: user of satellites, sponsor of research and development, and regulating body ensuring the orderly development of new and commercially viable applications. Both directly and through British Telecom, it participated in the INTELSAT and INMARSAT organisations for international civil satellite communications, and military satellite communications through NATO. Through Britain's membership of the European Space Agency, the Government had access to the Agency's satellite facilities, expertise and experimental data. The Meteorological Office made extensive use of satellite data, while further international and national services such as maritime communications, specialised business services, navigation and earth observation were being developed. Jointly with industry, the Government would be tackling issues of immediate importance such as the future programmes of the European Space Agency, including developments in communications satellites and remote sensing of the Earth, a satellite communications system for the Ministry of Defence and the marketing effort required to win vital export orders. Moreover, the Home Office study of direct broadcasting by satellite would soon be published. Britain's space and related industries had many strengths, from system design, software development and satellite construction to ground stations and ancillary equipment. The Government would be looking to industry to seek out and finance the most promising opportunities, but would play its part in close collaboration.

Source: *Hansard*, Vol 3, No 92, written answers, cols 320-1.

Brixton Inquiry

Following major disturbances at Brixton in south London during the weekend 10-12 April, the Home Secretary has asked Lord Scarman[1] to carry out an inquiry.

In a statement in the House of Commons on 13 April in which he announced the establishment of an inquiry, the Home Secretary, Mr William Whitelaw, referred to 'violent clashes' between the police and young people, mainly black (*Hansard*, Vol 3, No 87, cols 21-31). In the course of the disorders shops were looted, vehicles destroyed and property damaged. A total of 149 police officers and 58 members of the public were injured and 224 people were arrested.

Parliament had placed on the police the heavy burden of maintaining peace on the streets and of preserving order and the rule of law, said Mr Whitelaw. Whatever questions might arise about the reasons for this outbreak of violence, he had no doubt that Metropolitan Police officers carried out their duties with bravery and professionalism. Whatever grievances individuals or communities felt they suffered, such violence would not be condoned.

The events of the weekend called for the most thorough examination and he had invited Lord Scarman to undertake an inquiry under the Police Act 1964 with the following terms of reference: 'To inquire urgently into the serious disorder in Brixton on 10-12 April and to report, with the power to make recommendations.' The inquiry would be held in public except where Lord Scarman decided otherwise. In response to a question Mr Whitelaw said that it was important to make it clear that many people in (Brixton's) Asian and West Indian communities deeply deplored the violence as much as anyone else.

Opposition View

Welcoming the inquiry, the Opposition spokesman on home affairs, Mr Roy Hattersley, said that he believed that it should investigate more than the specific incidents that precipitated the weekend's violence. Those events had deep-rooted causes which should be explored; the inquiry should go further than police procedures. It should examine the employment prospects of young people in the area; housing; and the relationship between the police and the public in Brixton. He was in favour of a wide-ranging inquiry undertaken by a number of responsible and reputable people.

Scope of Inquiry

Mr Whitelaw said the inquiry's terms of reference would enable Lord Scarman to consider the issues to which Mr Hattersley had referred.

It was subsequently announced that Lord Scarman had decided to conduct the inquiry in two parts: (1) an examination of the events of 10-12 April and their immediate causes; and (2) consideration of the underlying causes, with special reference to the problem of policing areas where the community is multiracial.

[1]Lord Scarman, a very senior judge, is a law lord in the House of Lords.

Wildlife and Countryside Bill

The Wildlife and Countryside Bill, which makes major proposals to amend the law relating to wildlife, nature conservation, the Countryside Commission, national parks and certain public rights of way, was given an unopposed second reading in the House of Commons on 27 April.

Provisions of the Bill

Part I of the Bill deals with the protection of birds, other animals and plants. The Bill would extend the protection of a large number of wild birds (listed in the schedules), their nests and eggs and make additional provision with respect to the possession and control of eggs. The sale of certain wild birds would be prohibited and protection given to captive birds and to certain other endangered animals including some bats, butterflies, moths and snails and to a range of wild plants. There are also proposals to control the introduction of certain wild animals and plants not ordinarily found in Britain.

Part II of the Bill relates to nature conservation, the countryside and national parks. There are provisions in respect of 'Sites of Special Scientific Interest'[1] (including the requirement, in the case of sites of national importance, that the owners notify the Nature Conservancy Council before carrying out any operations which might harm the scientific interest of the areas), areas of limestone known as 'limestone pavements', and national nature reserves. The Bill would enable the designation of marine nature reserves, would enable

[1]Sites which the Nature Conservancy Council considers to be of special biological, geological or physiographic interest.

management agreements to be concluded between the relevant authorities and people with an interest in the land to conserve the countryside and promote its enjoyment, and would enable financial assistance to be given to anybody to conserve and promote the enjoyment of a national park. Other clauses relate to the Nature Conservancy Council, including its powers to make grants and loans, and to the Countryside Commission, new provision being proposed for its status, constitution and finances.

Part III of the Bill covers certain public rights of way, and proposes fresh provision for the review and amendment of rights of way maps and for the reclassification of roads used as public paths. Other clauses would prohibit the keeping of dairy bulls on land crossed by public rights of way unless certain conditions were fulfilled, and would amend the law about ploughing public rights of way.

House of Commons Debate

The Bill came to the House of Commons from the House of Lords, where it had been approved. The second reading was introduced by the Secretary of State for the Environment, Mr Michael Heseltine (*Hansard*, Vol 3, No 91, cols 524-608). 'It is a Bill', he said, 'about issues concerning the countryside where public concern is growing, where attitudes are changing and where the pressures are intensifying.' The Government had last year welcomed the world conservation strategy, in which for the first time voluntary movements, governments and the United Nations had combined to produce compelling reasons for conservation.[1]

It was unavoidable that there would be some conflict between the increasing numbers visiting the countryside and those who had traditionally sought their livelihood there. The Bill was a compromise. 'It acknowledges that there is a balance of argument. It sets out the position to which the Government now believe it is right to move. . . . It seeks a balance between the often conflicting and deeply held views of people whose motivation and sincerity are not in question. . . .' The Bill was about conservation, which could be defined as 'the wise husbandry of living resources for man's future use, whether that use be simply for pure visual enjoyment, food, medicines or other need'.

The first part of the Bill concerned species protection, the Secretary of State said, and he welcomed the international recognition that it was totally unacceptable for species to be allowed to disappear. The European Community's birds directive was binding on the United Kingdom, but very little additional legislation was necessary to comply with this. The principal changes within the Bill were tighter controls on the keeping and sale of birds and their eggs; an extension of the list of prohibited methods of killing and taking; and restrictions on the killing of birds doing damage. 'In Britain', Mr Heseltine pointed out, 'existing laws are already among the most comprehensive in Europe. It is a matter of credit that we have already protected bird life to such an extent that the European directive is more a tidying-up operation than a sweeping innovation.'

Although he held the view that there was nothing necessarily contrary to conservation in the concept of field sports, Mr Heseltine indicated that they would be affected by the Bill's provisions to reduce the number of a quarry species (that is, animals which are hunted) that might be shot, to permit semi-automatic weapons to be used only for pest control and to ban the hunting of the otter.

The second part of the Bill was about the protection of habitat and special parts of the countryside. It sought 'to contribute to a process of sensible conservation, recognising the legitimate concerns of the landowners, those with a specific interest in conservation and . . . the general public view. . . .' Conceding that there was a conflict of interest between modern farming methods and conservation, Mr Heseltine expressed the view that the farming community was 'Britain's most valuable asset in securing the proper conservation of the countryside'. The Government believed that 'the cause of conservation is done no good by using compulsion as the primary means of making landowners and farmers manage their land for the general benefit of our heritage'. The Bill therefore provided for compulsion in only a few of the most important and vulnerable wildlife sites.

The Bill would change the system for Sites of Special Scientific Interest (SSSIs), of which some 4,000 have been notified since the system was set up in 1949. In future the Nature Conservancy Council would notify all owners of SSSIs, who would be clearly advised about the nature of the sites and the operations which would damage them. A voluntary code would be produced for approval by Parliament.

The third part of the Bill concerned public enjoyment of the countryside as it was related to public rights of way. Valuable as these were, they were not always accurately recorded, and the Bill put forward alternative procedures for correcting and updating the definitive map. This should help to remove the conflict which had sometimes arisen between farmers and path users.

Opposition View

Mr Gerald Kaufman, the Opposition spokesman on the environment, welcomed the Government's acceptance of a number of amendments made in the House of Lords. There were, nevertheless, further improvements which should be made. The overwhelming majority of farmers cared deeply about the countryside, but there was a disparity between the money allocated by the Government to agriculture and that given to conservation. With the loss to agriculture of woods, moors, heaths, meadows and other habitats went the loss of vulnerable creatures and plants for which the habitat provided a home. He hoped that the Bill could be amended to give greater protection to SSSIs and the national parks. Mr Kaufman said that it was 'probably the most important Bill that will be considered in this Parliament' because of its effects on the way the countryside would look for centuries to come.

[1]See *Conservation*, COI, No 47/FSB/80.

DOCUMENTATION

Government and Administration

Government Statistical Services. This White Paper, which reports on the results of the review of Government Statistical Services, states the Government's aim to retain essential services while making savings of £25 million and reducing the numbers of staff involved by about 2,500 by 1984. (In 1979 the Government employed over 9,000 staff on statistical services at a cost of £1,000 million.) Cmnd 8236. HMSO, £2·10. ISBN 0 10 182360 6.

Local Government in London. COI, No 103/FSB/81.

Review of Appeals under the Immigration Act 1971. A discussion document, based on a review carried out by the Home Office, which examines ways in which the present system could be made to work more efficiently with a view to reducing delays. Available free from Home Office, Immigration and Nationality Department, B2 Division (Appeals Section), Lunar House, 40 Wellesley Road, Croydon CR9 2BY.

External Affairs and Defence

Agreement establishing the Common Fund for Commodities. (The Agreement – see pp 240–1, 1980 – has been signed but not yet ratified by Britain.) Cmnd 8192. HMSO, £3·40. ISBN 0 10 181920 X.

Convention on the Conservation of Antarctic Marine Living Resources . . . The Convention, which Britain has not yet ratified, will enter into force after eight of the 15 signatory countries have done so (see pp 186–7, 1980). Cmnd 8217. HMSO, £2·10. ISBN 0 10 182170 0.

Development Aid Policy. Twenty-first report (session 1980–81) of the House of Lords Select Committee on the European Communities. HMSO, £9·40. ISBN 0 10 414681 8.

Statement on the Defence Estimates 1981 (see p 133).

Vol I. Cmnd 8212-I. HMSO, £5. ISBN 0 10 182110 X.

Vol II (Defence Statistics). Cmnd 8212-II. HMSO, £5. ISBN 0 10 182121 2.

Economic and Scientific Affairs

MSC Manpower Review 1981. The Manpower Review sets out the Manpower Services Commission's view of the current labour market and summarises its plans for the four years ahead. Available free from the MSC, Selkirk House, 166 High Holborn, London WC1V 6PF. ISBN 0 905932 28 5.

Health and Safety: Manufacturing and Service Industries 1979. A report of the work of HM Factory Inspectorate. HMSO, £4·50. ISBN 0 11 883417 7.

Computer Software and Services. COI, No 101/FSI/81.

The British National Oil Corporation. Report and Accounts 1980 (see p 147). Available free from the BNOC, 150 St Vincent Street, Glasgow G2 5LJ. ISBN 0 906049 04 0.

Development of the Oil and Gas Resources of the United Kingdom 1981 (see p 144). Department of Energy. HMSO, £4·50. ISBN 0 11 410918 4.

United Kingdom Mineral Statistics 1980. Institute of Geological Sciences. HMSO, £13. ISBN 0 11 884164 5.

British Railways Board. Annual Report and Accounts 1980 (see p 150). BRB. Available from HMSO, £3. ISBN 0 11 983182 1.

Concorde. Second Report from the House of Commons Industry and Trade Committee, Session 1980-81. HMSO, £6·30. ISBN 0 10 226581 X.

Liberalisation of the Use of British Telecommunications Network (see p 149). A study by Michael E. Beesley, Professor of Economics, London Graduate School of Business Studies. Department of Industry. HMSO, £3·60. ISBN 0 11 513249 X.

British Winners of Nobel Prizes for Science. COI, No 99/FSB/81.

Social and Cultural Affairs

Non-Departmental Public Bodies: Facts and Figures 1980. Updates the factual information on

non-departmental bodies listed in the *Report on Non-Departmental Bodies* (Cmnd 7797, see pp 48-9, 1980). HMSO, £4·70. ISBN 0 11 630440 5.

Residence in Britain. COI, No 82/RP/81.

Report of the Work of the Prison Department 1980. Cmnd 8228. HMSO, £6·50. ISBN 0 10 182280 4.

Day to Day Life in Northern Ireland Prisons. An account of what has been achieved in providing a modern prison regime in Northern Ireland. Describes work and vocational courses, recreational facilities, clothing, contacts with relatives and friends, and, in particular, conditions at Maze and Armagh prisons. Free of charge from Northern Ireland Office, Great George Street, London SW1P 3AJ.

Housing in Britain. COI, No 86/FSB/81.

Nature Conservancy Council. Sixth Report covering the period April 1979–March 1980. HMSO, £4·90. ISBN 0 10 215981 5.

Information Storage and Retrieval in the British Library Service. A White Paper recommending that the Minister of State with special responsibility for the arts should take a lead in all matters concerned with information services policy which are not the responsibility of any government department. ('Information services' is a wide-ranging term which is taken to cover the storage and dissemination of information by libraries and other agencies; it has been taken to exclude such matters as the presentation of government policy or access to official records.) The Paper also recommends that the Library Advisory Council for England should be strengthened. Cmnd 8237. HMSO, £1·10. ISBN 0 10 182370 3.

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Printed in England by Brown Knight & Truscott Ltd
and Published by
HER MAJESTY'S STATIONERY OFFICE
£1.20p net

Annual subscription including indices and postage £18.60

H2705 Dd 8202844 K8 MAY/81 1980
ISBN 0 11 726388 5 Vol. 11 No. 5
ISSN 0039—6214